



General Assembly

February Session, 2006

Substitute Bill No. 5493

* _____HB05493CE_APP031506_____*

AN ACT ESTABLISHING A PILOT MICROLOAN PROGRAM FOR MICROENTERPRISES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006*) As used in sections 2 to 5,
2 inclusive, of this act and section 32-235 of the 2006 supplement to the
3 general statutes:

4 (1) "Community Economic Development Fund" means the entity
5 established pursuant to subsection (b) of section 8-240k of the general
6 statutes to accomplish the community economic development
7 program;

8 (2) "Microenterprise" means any business, new or existing, with ten
9 or fewer employees and annual gross revenues of less than five
10 hundred thousand dollars, including home-based and owner-operated
11 businesses;

12 (3) "Program" means the microloan program for microenterprises
13 established in section 2 of this act.

14 Sec. 2. (NEW) (*Effective July 1, 2006*) There is established a pilot
15 microloan program for microenterprises under which the
16 Commissioner of Economic and Community Development shall make
17 a grant to the Community Economic Development Fund. Said fund

18 shall use said grant to support the growth and development of
19 microenterprises.

20 Sec. 3. NEW) (*Effective July 1, 2006*) The grants provided under
21 section 2 of this act shall be used to:

22 (1) Identify appropriate microloan applicants state-wide;

23 (2) Evaluate the need for a prospective microloan applicant's
24 business in the community in which the microenterprise is or would be
25 located;

26 (3) Evaluate community support for a prospective microloan
27 applicant's business in the community in which the microenterprise is
28 or would be located;

29 (4) Work in conjunction with other community-based nonprofit
30 organizations, state and federal agencies and with the Community
31 Economic Development Fund to assist prospective microloan
32 applicants in preparing and finalizing business plans;

33 (5) Assist prospective microloan applicants in identifying and
34 accessing other appropriate business resources, including those
35 providing business management training;

36 (6) Track client data, level of service and outcome of services
37 provided; and

38 (7) Promote microenterprises and coordinate the delivery of services
39 by microenterprise support organizations to microenterprises.

40 Sec. 4. (NEW) (*Effective July 1, 2006*) The Community Economic
41 Development Fund shall consider the following criteria in making a
42 grant to a microloan generating organization:

43 (1) Sources and sufficiency of operating funds for the microloan
44 generating organization;

45 (2) The ability of the microloan generating organization to provide
46 the services required under section 3 of this act; and

47 (3) The proven ability of the microloan generating organization to
48 identify and prepare successful applicants to economic assistance
49 programs similar to the program established in section 3 of this act.

50 Sec. 5. (*Effective July 1, 2006*) Not later than June 30, 2007, the
51 Community Economic Development Fund shall submit a report, in
52 accordance with section 11-4a of the general statutes, on the status and
53 results of sections 1 to 3, inclusive, of this act to the joint standing
54 committee of the General Assembly having cognizance of matters
55 relating to economic development.

56 Sec. 6. (*Effective July 1, 2006*) The sum of fifty thousand dollars is
57 appropriated to the Department of Economic and Community
58 Development, from the General Fund, for the fiscal year ending June
59 30, 2007, for a grant to the Community Economic Development Fund
60 for the purposes of section 3 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>July 1, 2006</i>	New section
Sec. 6	<i>July 1, 2006</i>	New section

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Joint Favorable Subst. C/R

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